

Message Text

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PAGE 01 WINNIP 00367 311836Z

42

ACTION EUR-12

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FM AMCONSUL WINNIPEG

TO AMEMBASSY OTTAWA PRIORITY

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AMCONSUL TORONTO

UNCLAS WINNIPEG 0367

E.O. 11652: N/A

TAGS: EMIN, EINV, CA

SUBJECT: REACTION TO NAMING OF CANADIANS AS CO-CONSPIRATORS IN
POTASH PRICE FIXING CASE.

1. AS EMBASSY MIGHT SUSPECT, THERE HAS BEEN A LARGE AND EXTREMELY UNHAPPY REACTION IN THIS PART OF CANADA TO THE ACTION BY THE JUSTICE DEPARTMENT IN NAMING CANADIAN CITIZENS, INCLUDING A FORMER AND DECEASED PREMIER OF SASKATCHEWAN (ROSS THATCHER) AS CO-CONSPIRATORS IN A PRICE FIXING CASE BROUGHT AGAINST THE POTASH INDUSTRY. MOST NOTABLY, SASKATCHEWAN PREMIER ALAN BLAKENEY WAS INTERVIEWED ON CANADA A.M. (CTV'S EQUIVALENT TO THE TODAY SHOW) THIS MORNING, AND HE DESCRIBED HIS VIEW THAT THE QUOTE U.S. JUSTICE DEPARTMENT WISHES TO DICTATE THE TERMS UNDER WHICH SASKATCHEWAN POTASH IS TAKEN FROM THE GROUND AND SOLD UNQUOTE. MR. BLAKENEY HAS UNDOUBTEDLY SAID CONSIDERABLY MORE ABOUT THIS, AND AS SOON AS WE HAVE MORE DETAILS, WE WILL FORWARD THEM TO THE DEPARTMENT.

2. IN MANITOBA BOTH DAILY NEWSPAPERS HAVE CARRIED THE NATIONAL
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PAGE 02 WINNIP 00367 311836Z

WIRE SERVICE STORIES UNDER SUCH HEADLINES AS QUOTE POTASH PRICE-

FIXING CHARGE CALLED COMPLETELY REDICULOUS UNQUOTE.

3. MANITOBA MINES MINISTER SIDNEY GREEN (WHO IS ONE OF THE NDP'S MOST POWERFUL MINISTER) ACCUSED THE U.S. GOVERNMENT OF QUOTE GROSS IMPERTINENCE UNQUOTE IN TRYING TO PROSECUTE, AMONG OTHERS, HIS DEPUTY MINISTER JAMES CAWLEY, WHO WAS FORMER DEPUTY MINISTER OF MINERAL RESOURCES FOR SASKATCHEWAN. THE EMBASSY AND DEPARTMENT MAY RECALL THAT MR GREEN IS MANITOBA'S MOST VOCIFEROUS CRITIC OF THE GARRISON DIVERSION PROJECT.

4. IN SASKATCHEWAN, LIBERAL LEADER DAVE STEUART ACCUSED THE USG OF QUOTE ARROGANT INTERFERENCE IN THE PROVINCIAL GOVERNMENT'S JURISDICTION OVER RESOURCES. UNQUOTE.

5. AT VARIOUS SOCIAL FUNCTIONS ON FRIDAY AND MONDAY, WELL PLACED CANADIAN OFFICIALS AND ATTORNEYS (PRESENTLY IN WINNIPEG FOR THE CANADIAN BAR ASSOCIATION MEETING) MADE THE FOLLOWING REMARKS TO ME:

-- QUOTE WHAT POSSIBLE PURPOSE COULD THIS ACTION HAVE? ROSS THATCHER

WHO IS REVERED IS DEAD AND GONE, AND CANNOT ARISE TO DEFEND HIMSELF. PREMIER BLAKENEY NOW FINDS HIMSELF IN THE HAPPY POSITION OF BEING ABLE TO DEFEND THE REPUTATION OF SASKATCHEWAN S LAST LIBERAL PREMIER.

-- HOW CAN THE U.S. JUSTICE DEPARTMENT BE SO INSENSITIVE TO CANADIAN PUBLIC OPINION? IF EVER THE PRODUCERS POSITION ON POTASH HAD ANY SUPPORT, IT HAS NOW BEEN TOTALLY UNDERCUT AS CANADIANS (NOT ONLY SASKATCHEWANEES) ARISE IN PATRIOTIC DEFENCE OF ACTIONS WHICH THEY BELIEVE, RIGHTLY OR WRONGLY IN A LEGAL SENSE, WERE JUSTIFIED AT THE TIME. UNQUOTE.

-- AN ATTORNEY WHO REPRESENTS ONE OF THE AMERICAN PRODUCERS AND WHO IS A GOOD FRIEND OF THE U.S. TOLD ME THAT HE HAS NEVER BEEN SO INFURIATED WITH HIS AMERICAN FRIENDS.

6. COMMENT: THE FACT THAT NO CANADIANS WERE INDICTED, AND EVEN NAMED ONLY AS QUOTE CO-CONSPIRATORS UNQUOTE, A TERM WHICH IS TERRIBLY POWERFUL IN THE POST WATERGATE ERA IS ALMOST TOTALLY OVERLOOKED BY CANADIANS WHO ARE RESPONDING VISCERALLY TO THIS ACTION. UNCLASSIFIED

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PAGE 03 WINNIP 00367 311836Z

MOST PEOPLE HAVE NOT ASKED ME FOR AN EXPLANATION, BUT HAVE SIMPLY VENTED THEIR IRE. SOME ALLOWED THAT IT MIGHT HAVE BEEN A BUREAUCRATIC SNAFU, BUT IF IT WAS, IT WOULD BE HELPFUL TO KNOW ABOUT.

HUTSON

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